



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

June 29, 2004

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

Burlington Resources Oil & Gas Company

P. O. Box 4289

Farmington, New Mexico 87499-4289

Attention: Joni Clark
Regulatory Specialist
jclark@br-inc.com

Administrative Order NSL-4090-A

Dear Ms. Clark:

Reference is made to the following: (i) your application submitted to the New Mexico Oil Conservation Division ("Division") on June 9, 2004 (***administrative application reference No. pMES0-416658439***); and (ii) the Division's records in Santa Fe, including the file on Division Administrative Order NSL-4090: all concerning Burlington Resources Oil & Gas Company's ("Burlington") request for an exception to the well location requirements provided within the "*Special Rules for the Blanco-Mesaverde Pool*," as promulgated by Division Order No. R-10987-A, issued in Case No. 12069 and dated February 1, 1999, as amended by Division Order No. R-10987-A (1), dated December 2, 2002, for Burlington's proposed San Juan "28-4" Unit Well No. 32-N (API No. 30-039-26596) to be drilled at an unorthodox infill gas well location 2270 feet from the South line and 170 feet from the East line (Unit I) of Section 32, Township 28 North, Range 4 West, NMPM, Blanco-Mesaverde Pool (72319), Rio Arriba County, New Mexico.

The Blanco-Mesaverde gas production from this well is to be included within an existing standard 320-acre lay-down gas spacing and proration unit ("GPU") comprising the S/2 of Section 32, which is currently dedicated to Burlington's: (i) San Juan "28-4" Unit Well No. 9 (API No. 30-039-07233), located at a standard gas well location 1150 feet from the South line and 1600 feet from the West line (Unit N) of Section 32; and (ii) San Juan "28-4" Unit Well No. 32-M (API No. 30-039-26009), located at an unorthodox infill gas well location (approved by Division Administrative Order NSL-4090, dated July 8, 1998) 2030 feet from the South line and 2470 feet from the East line (Unit J) of Section 32.

This application has been duly filed under the provisions of Division Rules 104.F and 605.B and the applicable rules governing the Blanco-Mesaverde Pool.

By the authority granted me under the provisions of Division Rule 104.F (2), the above-described unorthodox Blanco-Mesaverde infill gas well location for Burlington's proposed San Juan "28-4" Unit Well No. 32-N is hereby approved. Further, all three of the aforementioned San Juan "28-4" Unit Wells No. 9, 32-M, and 32-N, and existing 320-acre GPU will be subject to all existing rules, regulations, policies, and procedures applicable to prorated gas pools in Northwest, New Mexico and to the Blanco-Mesaverde Pool.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael E. Stogner", written over a horizontal line.

Michael E. Stogner
Engineer/Hearing Officer

MS/ms

cc: New Mexico Oil Conservation Division – Aztec
U. S. Bureau of Land Management – Farmington
File: NSL-4090